

AMENDED IN SENATE MAY 14, 1997

**SENATE BILL**

**No. 1027**

**Introduced by Senator Schiff**

February 27, 1997

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An act to amend Sections 23200 and 23202 of, *and to add Section 22811 to*, the Education Code, relating to school employees.

LEGISLATIVE COUNSEL'S DIGEST

SB 1027, as amended, Schiff. School employees retirement.

The State Teachers' Retirement System authorizes members to redeposit refunded contributions.

The bill would authorize members to redeposit contributions withdrawn by nonmember spouses.

*Existing law authorizes credit for service prior to July 1, 1944, in other states.*

*This bill would authorize purchases of additional service credit for out-of-state public school employment without any date restriction.*

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. *Section 22811 is added to the Education*
- 2 *Code, to read:*
- 3 *22811. (a) A member, other than a retired member,*
- 4 *may elect to purchase additional service credit for*

1 *employment with a public school system in another state*  
2 *or territory of the United States or by the United States*  
3 *for its citizens under the following conditions:*

4 *(1) The out-of-state service shall have been in a*  
5 *position that in this state would qualify for membership*  
6 *in this system.*

7 *(2) In no event shall the member receive credit for*  
8 *this service if the member has received or is eligible to*  
9 *receive credit for the same service in another retirement*  
10 *system.*

11 *(b) The amount of additional service credit that may*  
12 *be purchased may not exceed the lesser of the number of*  
13 *years of service credit the member has in the out-of-state*  
14 *retirement system or 10 years.*

15 *(c) Additional service credit may be purchased under*  
16 *this section by either of the following:*

17 *(1) Depositing contributions for each year of service*  
18 *claimed up to the limits established in subdivision (b), or*  
19 *amounts in accordance with Section 22801.*

20 *(2) Depositing contributions in accordance with*  
21 *Section 22801 and receiving the number of years of*  
22 *service credit the total amount of contributions will*  
23 *purchase up to the limits established in subdivision (b).*

24 *(d) A member who transfers contributions under*  
25 *subdivision (c) may not transfer contributions qualifying*  
26 *under Section 403(b) of the Internal Revenue Code.*

27 *(e) Contributions for additional service credit*  
28 *purchased shall not be used in calculating highest average*  
29 *annual compensation when calculating final*  
30 *compensation.*

31 *SEC. 2. Section 23200 of the Education Code is*  
32 *amended to read:*

33 *23200. (a) If a person, whose accumulated*  
34 *retirement contributions have been refunded, again*  
35 *becomes a member of the plan, the person may elect to*  
36 *redeposit those contributions with regular interest from*  
37 *the date of refund to the date of payment. If the member*  
38 *elects to redeposit, the member shall repay all*  
39 *accumulated retirement contributions that were*  
40 *previously refunded.*



1 (b) For time prior to July 1, 1944, regular interest shall  
2 be at 2 1/2 percent compounded annually.

3 (c) If a nonmember spouse, as defined in Section  
4 22651, withdraws accumulated contributions in  
5 accordance with Section 22661, the member may  
6 redeposit a sum equal to those contributions pursuant to  
7 subdivision (a), providing he or she is not receiving an  
8 allowance under Chapter 26 (commencing with Section  
9 24100) or Chapter 27 (commencing with Section 24201).

10 ~~SEC. 2.~~

11 *SEC. 3.* Section 23202 of the Education Code is  
12 amended to read:

13 23202. (a) An election pursuant to Section 23200 to  
14 redeposit accumulated retirement contributions may be  
15 made by a member anytime prior to the effective date of  
16 the member's retirement.

17 (b) An election to redeposit refunded accumulated  
18 retirement contributions shall be considered as an  
19 election to repay all accumulated retirement  
20 contributions previously refunded under the provision of  
21 this chapter.

22 (c) If any payment due because of this election is not  
23 received at the system's office in Sacramento within 120  
24 days of its due date, the election shall be canceled. Upon  
25 the cancellation of election any payments made under  
26 the election shall be refunded.

27 (d) If the election is cancelled, the member may at any  
28 time prior to the effective date of retirement, again elect  
29 to redeposit accumulated retirement contributions  
30 previously withdrawn or refunded, in accordance with  
31 Section 23200 and all the laws, rules, and regulations  
32 pertaining thereto.